

# NEW CHAPTER IN PAN-AMERICAN HISTORY OPENED

## Improved Relations With Republics to the South of Us Offer Chances for Commercial Expansion—Facts Emphasized at a Banquet Given Secretary Knox

matte issues still awaiting solution, the position discloses an economic situation not altogether favorable to the United States in the matter either of coffee or in the arrangement made with Brazil in regard to the specialized articles of

by the admission into the United States of five-sixths of Brazil's production of coffee free of duty. This was a concession of mutual advantage to the two countries to which the Argentine Republic took no exception, realizing the peculiar conditions which preclude a similar concession to its own leading products.

The United States, however, seeking a return for the benefits thus conferred upon Brazil, urged and forced upon the latter country a preferential tariff in favor of American flour, thereby depriving Argentina of a market she had long enjoyed for the output of one of her main industries. The net commercial result of this proceeding was not only to discourage Argentine imports from this country, happily now overcome, but also to involve the people of the United States in an actual loss on the operation, as could be demonstrated by a comparison of the figures relating to the increased exports of American flour with the increased price of coffee to the American consumer.

Much discussion has lately taken place regarding reciprocity with the Argentine Republic, but as is here pointed out while the larger volume of American exports to that country can only be measured by an increase in the imports it is clear that reciprocity on such lines as those embodied in the recently proposed arrangement with Canada is a practical impossibility. The Argentine Republic sells more than 70 per cent. of its entire production to Great Britain and other European coun-

tries. Many of the great industrial organizations of this country already have powerful interests in South America, as for example, the International Harvester Company, the Air Motor Company, the United States Steel Trust, the Standard Oil Company and the Chicago packing houses, but what is needed here is that one South American field should be equally available to the smaller manufacturer in the United States.

### Banks and Ships Needed.

Reference has already been made to the many drawbacks to a rapid expansion of the trade of this country with South America. Chief among these are the difficulties in regard to banking and shipping facilities. New negotiations have recently been opened to establish an American bank to operate in South America, but unless an American banking institution is established there with a capital at least as large as that of any of the foreign banks already firmly installed and under auspices of influential backing it is unlikely that any amelioration in the present conditions will take place in a measure calculated to favorably affect American trade.

There is a vast field for the operations of a sound American bank in the leading cities of South America, but such an institution, if it wishes to attract the importing and exporting interests, must be prepared to offer the same liberal facilities as can now be obtained by these interests from the existing banks.

Another and important difficulty is that of ocean transport. At the present moment the direct service of passenger and cargo steamers between New York and South American ports is of an order which, while adequately fulfilling current requirements, is not prepared for a rapid increase in the international trade. Nor can it be expected that a private undertaking should anticipate a mere possibility that, if realized, might encounter even Government opposition. The passenger steamers now plying between New York and South America are in many cases exceedingly comfortable and even luxuriously equipped, but the voyage can be performed with a greater degree of comfort and with more attractive surroundings in practically the same time and at the same cost via Europe.

In the Lamport & Holt liners, which usually make an average speed of twelve or thirteen knots, the trip from New York to Buenos Aires occupies about twenty-five days with but short stops at two or three West Indian and Brazilian ports. Now if this service could be carried out by vessels of an eighteen or twenty knot capacity, many more cable and mail orders would come to the American manufacturers.

The reason, however, for the absence of such rapid and luxurious travel is obvious. The difference in shipping rates between New York and Buenos Aires and Buenos Aires and New York furnishes the answer. Big ships cannot be made to pay by carrying ballast in place of cargo. There is plenty to be carried to the South, but very little to be brought back to the North. Therefore, in order for this country to compete with Europe in the matter of time or freightage it is necessary that subsidies or substantial payment for

Without any desire to reflect upon the commission agents in New York, who now effect the bulk of the business between North and South America, it is necessary to an increase of trade that the manufacturer should be brought into more direct touch with the local importer. Just as there are great industrial enterprises in this country directly represented in South America, so there are a few of the large South American importers with their purchasing offices established here. On the other hand, the greater number of the smaller South American importers, like the greater number of the smaller American manufacturers, have not sufficient capital or a sufficient volume of business to enjoy the benefits of direct representation.

This difficulty could be easily overcome if the United States Government would adopt the system which has been so successful in Germany. That system is that there should be appointed to the consulate in each trading centre a competent and experienced commercial attaché to ascertain what particular article not already imported from this country could be imported with profit, and to be furnished with a catalogue library giving all the information as to classification, prices and full discounts in regard to all saleable or possibly saleable commodities.

This being made known officially by the consulate to the local importer would without doubt bring a large accession of trade, other conditions being suitable. In the opinion of those best able to judge such a course of action would produce an awakening among the local importers, who would find much to their advantage in direct dealing.

In these reflections, inspired by the expression of the thoughts and principles of true Pan-Americanism as expressed at the Knox banquet, little credit has been given to those agencies and individuals who and which during the past few years have labored strenuously in the promotion of friendship and commerce between the two divisions of this continent. First and foremost among these is the Pan-American Union, under the direction of John Barrett, who has done more for Pan-Americanism than any other man excepting, perhaps, those three Secretaries of State, J. G. Blaine, Elihu Root and the incumbent of that office, Philander C. Knox.

The formation of the Pan-American Society has added another agency for good in the propagation of Pan-Americanism, and the fact that it has enlisted the support and cooperation of a large number of New York's leading citizens, with no personal interests to serve, augurs well for the future of the campaign which for so long has been fought against great odds.

### WOMEN'S CONVENTION

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something truly exciting happening at any minute.

"Clubwomen are so intelligent now," she explained, "and belong to so many different organizations that really a convention is almost as stupid as a session of Congress."

Women, after all, are not half so temperamental as men. Just as soon as they get acquainted with the machinery of things they become horribly dull and businesslike.



1. DR. CAMPOS SALLES, EX-PRESIDENT OF BRAZIL, NOW BRAZILIAN MINISTER AT BUENOS AIRES.

2. GENERAL JULIO A. ROCA, TWICE PRESIDENT OF THE ARGENTINE REPUBLIC, NOW ARGENTINE MINISTER AT RIO DE JANEIRO.



JOHN BARRETT, DIRECTOR GENERAL OF THE PAN AMERICAN UNION.

By LEOPOLD GRAHAME.

WHEN the dinner was given recently at the Waldorf-Astoria to the Secretary of State of the United States and the Latin-American Ambassadors and Ministers accredited to this country it marked the opening of a new chapter in the history of Pan-Americanism. The guests included the highest official representatives of most of the twenty-one sovereign States constituting the American republics, besides men prominent in commerce and finance in this country. The primary purpose of the gathering was to welcome Secretary Knox on his return from his recent tour of the Central American countries, undertaken, like Mr. Root's visit to South America six years ago, to make clear the real desires of this Government in its relations with other republics.

The United States may be said to have two spheres of action in Latin America at the present time. The one, in the adjacent countries, is of a diplomatic character, and the other, in the more southerly republics, is of a commercial character. It is necessary that equal care should be exercised in the pursuance of both missions to respect the characteristics, the independence and the susceptibilities of the nations involved.

The nations of South America resent the view that Pan-Americanism means anti-Europeanism. They desire, as they need, the friendship of the other nations of the world on whom they depend for the population of their immense territories and for the capital wherewith to exploit their natural sources of wealth, and, while favoring the idea of reciprocal advantages to produce extended commercial relations with the great republic of the north, they will deal mostly with that country which sells the best goods at the cheapest rates and pays them the highest prices for their own products. They attend international congresses, whether convoked by the United States, by Russia or any other nation, merely in the capacity of large producers and large buyers carefully observing fiscal conditions prevailing in other countries.

### Mr. Knox's Keynote.

The keynote of Mr. Knox's speech at the Waldorf dinner—as indeed it was of all the speeches—was the necessity for a wider dissemination of the conditions of the two Americas and for a closer intercourse between the peoples. The Secretary dwelt upon his recent trip to Central America and reiterated the assurance that it was not undertaken in any spirit of diplomatic conquest, but, on the contrary, to disavow all desire of territorial aggrandizement and to declare that the policy of this country is to preserve the Central American republics from disintegration within as much as from aggression without. Mr. Knox made it clear that one of the underlying principles of the Monroe Doctrine, so far as existing conditions permit, of "America for the Americans," does not signify "America for the North Americans."

On Mr. Root's visit to South America in 1906, though there were no questions pending with the large republics of the South, the main conditions were practically the same. There existed at that time in some of the States a very wide distrust of American policy and a lurking suspicion that the "big stick" was merely concealed for temporary purposes. This feeling, moreover, had been intensified by local international rivalries and by the belief that the United States had designs, as the result of a supposed diplomatic alliance with Brazil, of establishing a hegemony in that part of the continent.

In some quarters the feeling was so strong that on a resolution being submitted to the Argentine Senate, authorizing the Government to expend the necessary funds for the suitable entertainment of the guest of the nation, an amendment was moved, though not carried, limiting the outlay to a comparatively insignificant, and certainly inadequate, sum. The frankness, however, of Secretary Root's utterance to the effect that the United States was inspired by the sole object of promoting more friendly and closer commercial intercourse with all the Latin republics of

America, and that anything in the nature of an alliance was opposed to the policy and traditions of his country, caused a revolution of feeling as to the attitude of the United States.

The term, "South America," but a few years ago was in many parts of the world regarded almost as a synonym for revolution and disorder. Today it signifies moral and material progress and industrial development. Little more than ten years ago a war with disastrous possibilities for all Latin America was imminent between Argentina and Chile. Five years ago, a similar state of affairs prevailed between Argentina and Brazil. Still more recently have there been narrow escapes from open hostilities between other South American republics, but these disasters were all averted by a resort to the more peaceful methods of skillful South American diplomacy for the adjustment of international differences.

Brazil and Argentina are now diplomatically represented at their respective capitals by an ex-President of each republic, known to be animated by the most friendly sentiments and neighborly respect. Chile and Argentina have each presented the other with a palatial structure for the installation of their legations. Revolutions in Argentina, Brazil and Chile are memories of the past. Governments both stable and well ordered guide the destinies of their countries; and what has happened there may happen in the smaller republics of South and Central America in the course of a few years.

### Matters for Arbitration.

Even in Mexico, torn and ravaged by the forces of anarchy, the revolution, so-called, arises out of the evolution of popular government. For a generation that country was ruled admirably in many respects by a dictator, who with the necessity for unrestrained authority which that form of government compels, kept the masses in convenient ignorance. Education was subordinated to the exigencies of foreign enterprise, with the result that less than 15 per cent. of the entire native population are able to read and write.

What then could be more natural than for the leaders of the people of that rich but distressed country to aspire to the attainment of the same measure of popular liberty and independence as is enjoyed by the peoples of the other republics of this continent? The fulfillment of that object was successfully proceeding and a form of popular government established, but the many obstacles to the complete development of the sudden political transformation created an opportunity for a revolt, largely inspired by mercenary motives against the newly constituted authority.

Talks or threats of an American invasion of Mexico under such circumstances, even with the pretext of protecting American financial interests, are merely calculated to produce a hostile sentiment against this country, not alone in Mexico but equally in the neighboring States.

The question of the settlement of the claims of private foreign citizens or subjects in respect of losses sustained during periods of disorder is one to be adjusted either by the judicial tribunals of the country, by diplomatic negotiations or by a submission to arbitration. It is of course an elementary principle in the law of nations that a State possessing all the judicial, legislative and executive machinery of a constitutional government inviting foreign capital for

its industrial development implies the existence of ample protection and security of title for the property of its alien residents; but the most culpable failure to fulfill that obligation does not justify armed invasion by the country whose citizens or subjects have suffered the loss, at least until the resources of justice or diplomacy have been exhausted.

A powerful and notable example of such a case may be found in the occupation of Venezuelan waters in 1902 by the armed vessels of Great Britain, Germany and Italy, which furnished the occasion for Dr. Drago's famous note sent to the Argentine Minister at Washington to be submitted to the Government of the United States. That occupation by foreign Powers of Venezuelan water, though not specifically a seizure of territory or a challenge of the Monroe Doctrine, was withdrawn at the instance of the United States Government, which caused the questions at issue to be dealt with by more peaceful measures. Surely then, as Mr. Sulzer said in his able speech at the Knox dinner, "if the Monroe Doctrine is to be respected abroad it must also be respected at home."

It is this perpetual talk of invasion or intervention by the United States in the internal disturbances of some of the Latin countries lying adjacent to her borders that breeds and engenders the suspicions and distrust which hamper the progress of and prejudice American interests in many of the southern republics. It is the popular misconception of the principles of the Monroe Doctrine and of America's relationship toward the other republics that fosters a spirit of imperialism which does not find sanction either in justice or in the policy of the Government of the United States.

On the principle that "all roads lead to Rome" all the paths of American diplomacy should lead to commerce. There are many material drawbacks to a rapid expansion of American trade with the countries of the south. Yet these constitute but a small number of the many barriers erected by national prejudice in the United States against closer relations with the larger Latin republics. The truth is wanted on both sides.

### Brazil's Coffee Question.

Pan-Americanism must not be distorted to create the belief that its ultimate object is the selling of North American products to South American consumers. Latin American intelligence and sensitiveness go hand in hand. They seek no favors and brook no condescension. The feeling hitherto has been that the fiscal policy of this country precludes reciprocal concessions; and it becomes a question of real significance if we take, in this connection, the present coffee dispute with Brazil.

Leaving aside the legal and diplo-



NEW CAPITOL AT BUENOS AIRES. ARGENTINE REPUBLIC.



DOMINICO DA GAMA, AMBASSADOR OF BRAZIL, AT WASHINGTON.



FRANCISCO J. YANES, ASSISTANT DIRECTOR OF THE PAN AMERICAN UNION.



DR. LUIS M. DRAGO, ARGENTINE STATESMAN AND AUTHORITY ON INTERNATIONAL LAW.



GRAND FOYER OF THE NEW LEGISLATIVE PALACE NOW UNDER CONSTRUCTION, CITY OF MEXICO.

mail service should be made by the Government to justify the enterprise. Most of the governments of the great countries of the world either pay heavy subsidies or lend financial support to the shipping companies which carry their flags and their trade, and in no less degree will the Government of the United States be compelled ultimately either to change its shipping laws or to create a merchant marine if its commerce is to be largely extended into South American channels.

### South American Trade.

It is frequently asked why it is that so many articles of manufacture and so many productions which could be sold from this country to South America on advantageous terms find no place in that field. The answer to that question was given by all the speakers at the Knox banquet in the assertion that what is chiefly needed to promote more friendly and greater commercial relations is a better knowledge of each other through a closer personal intercourse. This view applies with particular force to the question of the commerce between the countries.



DR. ROMULO S. NAÓN, ARGENTINE MINISTER AT WASHINGTON.

"Why, no, I haven't heard anything special about hats," replied the woman in answer to a question, "but I am quite sure they won't be worn, and as for those hats of murderous length, they wouldn't be tolerated for a moment in San Francisco. Western women are far too sensible for that. I don't suppose a single woman will talk to a motion picture it is seconded or after it is tabled or address some member instead of the chair or anything of the sort," she added disconsolately.

Among those who will sit on the platform at the convention are Mrs. Philip N. Moore of Missouri, president; Mrs. Joseph Evans Cowles of Los Angeles, first vice-president; Mrs. L. L. Blankenburg of Philadelphia, second vice-president; Mrs. George O. Welch, Minnesota, recording secretary; Mrs. Frank Shell of Wyoming, corresponding secretary; Mrs. John Threadgill of Oklahoma, treasurer; Mrs. H. P. Brown of North Dakota, auditor; and Mrs. Alvin R. Bailey of Massachusetts, Mrs. Elmer Blair of New York, Mrs. Debra Breckinridge of Kentucky, Mrs. Harry L. Keefe, Mrs. Creighton Matthews of Louisiana, Mrs. C. H. McMahon of Utah and Mrs. John A. Nash of Iowa, directors.

Among those on the California local board are Mrs. E. G. Donahue, Mrs. A. P. Black and Mrs. Frank Fredericks of San Francisco, Miss Eva Powell, Mrs. Annie Little Barry and Mrs. Wallace R. Bond of Berkeley and Mrs. Emily Hoppin of Palo Alto.

Among the chairmen of various committees that have charge of the entertainment of delegates are Mrs. E. G. Donahue, Mrs. A. P. Black and Mrs. Frank Fredericks of San Francisco, Miss Eva Powell, Mrs. Annie Little Barry and Mrs. Wallace R. Bond of Berkeley and Mrs. Emily Hoppin of Palo Alto.